



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF MULTIFAMILY HOUSING ASSISTANCE RESTRUCTURING

Dear Representative _____:

Senate Report 106-161 that accompanied the Fiscal Year 2000 Departments of Veterans Affairs, Housing and Urban Development and Independent Agencies Appropriations Act (Public Law 106-74) requires that the Office of Multifamily Housing Assistance Restructuring (OMHAR) provide ongoing quarterly reports on the status of the Mark-to-Market (M2M) program. I am pleased to submit the report for the third quarter of FY 2001.

Through June 30, 2001, a total of 968 properties completed the M2M review process, of which 642 properties received reduced rents recommendations. Adjusting the rents of these properties to market levels will reduce section 8 outlays by approximately \$42 million annually, or more than \$566 million net present value over the next 20 years. Through June 30, 2001, over 1,700 properties have been assigned to Participating Administrative Entities for restructuring.

In 2001 OMHAR awarded 44 Outreach Training Assistance Grants (OTAGs) totaling \$11.7 million to support tenant involvement in the Mark-To-Market programs over a 3-year period. The obligations under these grants will continue to be made available over the next two years subject to continuing Congressional authorizations.

The preceding accomplishments indicate that the M2M program continues to attain the goals of the Multifamily Assisted Housing Reform and Affordability Act of 1997. Based on workload projections, OMHAR's FY 2001 fourth quarter report will present greater rent savings and program accomplishments.

Please feel free to contact me with any questions or comments you may have regarding the M2M program. Your continued interest in and support of the M2M program at the Department of Housing and Urban Development is appreciated greatly.

Sincerely,

Ira G. Peppercorn
Director, Office of Multifamily Housing
Assistance Restructuring